CLAIMS

1.–12. (Canceled).

13. (Currently amended) A method for transrating a compressed bitstream into a plurality of output bitstreams each having a corresponding bit rate, the method comprising:

extracting a packet payload from the compressed bitstream;

decoding the packet payload into at least one video frame;

~~storing the at least one video frame in at least one frame buffer;~~

providing ~~data in the at least one frame buffer~~ the at least one video frame to a plurality of encoders ~~outputs~~ associated with the plurality of output bitstreams, each of the plurality of encoders ~~outputs~~ having a quantization scale factor; ~~and~~

adjusting the quantization scale factor for each of the plurality of encoders ~~outputs~~ to change the bit rate of each of the plurality of output bitstreams; and

incorporating the plurality of output bitstreams into a video block.

14. (Original) The method of claim 13 wherein the at least one video frame includes a DCT coefficient associated with a partial decode of the packet payload.

15. (Currently amended) The method of claim 13 ~~wherein~~ further comprising segmenting the compressed bitstream ~~is segmented~~ into video segments ~~processing units~~.

16. (Currently amended) The method of claim 13 ~~wherein~~ further comprising segmenting at least one of the plurality of output bitstreams ~~is segmented~~ into video segments ~~processing units~~.

17. (Currently amended) The method of claim ~~14~~ 15 wherein ~~the~~ at least one video segment includes one of a group of coded pictures, a coded frame, and a video slice.

18.   (Currently amended) The method of claim 15 ~~further comprising formatting~~ wherein the ~~plurality of output bitstreams into a~~ video block includes a header, an input video segment, and at least one segment corresponding to at least one of the plurality of output bitstreams.

19.   (Canceled)

20.   (Currently amended) The method of claim ~~19~~ 18 wherein the video block header comprises at least one of packet schedule information, compression statistics, and a video segment offset.

21.   (Currently amended) The method of claim 13 ~~wherein~~ further comprising adjusting the quantization scale factor ~~is adjusted~~ to ~~reduce~~ change the bit rate by at least one of a fixed percentage and a fixed amount.

22.-37. (Canceled).

38.   (Currently amended) A system ~~for transrating~~ to transrate a compressed bitstream into a plurality of output bitstreams each having a bit rate, the system comprising:
        an extractor module ~~for extracting~~ to extract a packet payload from the compressed bitstream;
        a decoder module ~~for decoding~~ to decode the packet payload;
        a plurality encoders ~~outputs associated with~~ corresponding to the plurality of output bitstreams, each of the plurality of encoders ~~outputs~~ having a quantization scale factor; ~~and~~
        a quantization module ~~for adjusting~~ to adjust the quantization scale factor for each of the plurality of encoders ~~outputs~~ to change the bit rate of each of the plurality of output bitstreams; and
        a formatter module to incorporate the plurality of output bitstreams into a video block.

39.   (Currently amended) The system of claim 38 wherein the <u>extractor module is</u> <u>configured to segment the</u> compressed bitstream <s>is segmented</s> into video segment<u>s</u> <s>processing</s> <s>units</s>.

40.   (Currently amended) The system of claim 39 wherein <s>the</s> <u>a</u> video segment includes one of a group of coded pictures, a coded frame, and a video slice.

41.   (Canceled)

42.   (Currently amended) The system of claim <s>41</s> <u>38</u> wherein the video block comprises at least one video segment <u>corresponding to at least one of the plurality of output</u> <u>bitstreams</u> and a video block header.

43.   (Original) The system of claim 42 wherein the video block header comprises at least one of packet schedule information, compression statistics, and a video segment offset.

44.   (Currently amended) The system of claim 38 wherein <s>the</s> <u>each of the plurality of</u> <u>encoders is configured to adjust the</u> quantization scale factor <s>is adjusted</s> to reduce bit rate by at least one of a fixed percentage and a fixed amount.

45.-49. (Canceled).

50.   (New) The method of claim 18 further comprising storing the at least one video frame in at least one frame buffer.

51.   (New) The method of claim 18 further comprising selecting the at least one video segment responsive to the corresponding bit rate as an output stream.

52.   (New) The method of claim 51 further comprising incorporating local streams into the output stream.

53.   (New) The method of claim 51 further comprising:

including compression statistics into the header; and

normalizing a video quality of the output stream responsive to the statistics.

54.   (New) The system of claim 38 further comprising at least one frame buffer to store at least one video frame of the compressed bitstream.

55.   (New) The system of claim 42 further comprising a switch to select the at least one video segment responsive to the corresponding bit rate as an output stream.

56.   (New) The system of claim 55 wherein the switch is configured to incorporate at least one local stream into the output stream.

57.   (New) The system of claim 55 wherein the switch is configured to:

include at least one compression statistic into the header; and

normalize a quality of the output stream responsive to the statistics.